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April 27, 2001

EX PARTE – Via Electronic Filing

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, DC 20554

Re: CC Docket 96-45 (Rural Task Force Recommendation), and CC Docket Nos. 00-256, 96-45, 98-77, and 98-166 (Multi-Association Group Plan for Regulation of Interstate Service of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers)

Dear Ms. Salas:

On April 25, 2001, Mr. Joel Lubin (of AT&T), Mr. Pete Sywenki (of Sprint), Mr. Mark Rubin (of Western Wireless) and Mr. John Nakahata (of Harris, Wiltshire & Grannis, representing AT&T, GCI, Sprint, and Western Wireless) met with Ms. Carol Mattey, Deputy Bureau Chief, CCB, Ms. Katherine Schroeder, Chief, Accounting Policy Division, CCB, Mr. Jack Zinman, Counsel to the Bureau Chief, and Mr. Eric Einhorn, Accounting Policy Division, regarding the interim compromise proposal by AT&T, GCI, Sprint and Western Wireless to increase SLC cap to the same levels as for price cap companies, recover universal service contributions directly from end users as was adopted for price cap carriers in the CALLS Order, and to shift a portion of traffic sensitive access charges from carrier charges to a universal service fund consistent with RTF principles for High Cost Fund III ("joint compromise proposal"). The record for these actions is fully established in both the RTF and MAG dockets.

On April 26, 2001, Messrs. Lubin, Sywenki, Nakahata, Mr. Mark Rubin and Mr. Bill Phillips (representing GCI) met with Mr. Kyle Dixon, Legal Advisor to the Chairman, regarding the joint compromise proposal. Messrs. Lubin, Sywenki and Phillips also met with Mr. Jordan Goldstein, Legal Advisor to Commissioner Ness, and Mr. Samuel Feder, Legal Advisor to Commissioner Furchtgott-Roth. Mr. Nakahata also spoke with Mr. Sarah Whitesell, Legal Advisor to Commissioner Tristani.

The presentations made in each of these meetings are summarized in the attached documents.

In accordance with the Commission's rules, a copy of this letter and all attachments are being filed electronically in the above-captioned dockets.

Sincerely,

John T. Nakahata

JTN/krs
Attachments
c: Mr. Kyle Dixon
Mr. Jordan Goldstein
Mr. Samuel Feder
Ms. Sarah Whitesell
Ms. Carol Mattey
Ms. Katherine Schroeder
Mr. Jack Zinman
Mr. Eric Einhorn

United States Senate

WASHINGTON, DC 20510

April 12, 2001

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Powell:

First, we want to congratulate you on your appointment as Chairman of the Federal Communications Commission. We believe President Bush made an excellent choice in selecting you and appreciate the thoughtful approach you have demonstrated on the Commission thus far.

We recognize there are many important issues facing the Commission this year. You noted some of them in a recent press conference. Another issue we believe deserves your urgent attention is high-cost reform for rural carriers. As you establish the Commission's agenda for the coming year, we ask you to make universal service reform for rural carriers a top priority.

Rural high-cost reform has been delayed for too long. When Congress passed the Telecommunications Act of 1996, an assurance was given to rural America that it would not be left behind. Yet, five years later, the Commission has failed to implement the positive reforms required under the Act that were designed to ensure that all of America can access advanced telecommunications services.

It concerns us greatly that, while making progress in some areas, the Commission has relegated rural needs to the back burner. The Commission dealt with unbundled network elements regulations, countless mergers, liberalizing broadcast ownership rules and high cost reform for the non-rural carriers. Yet universal service for rural America still awaits.

There is no excuse for delay now that the Rural Task Force that was appointed by the Federal-State Joint Board on Universal Service in 1998 has completed its work. It reached a consensus with rural carriers, competitive carriers, long distance companies and consumer advocates. In particular, we are pleased with the RTF's endorsement of the embedded cost method of determining universal service support. This will allow carriers to recover their actual costs and thereby more accurately assess their individual level of need for support. The Commission is now considering the RTF's recommendation, as well as access charge reform for rural local carriers. We ask that the Commission complete action on these proceedings quickly so that the new regime can be implemented by July 1, 2001.

It is also past time to remove the caps on high-cost support. The Act's universal service provisions mandate the sufficiency of support to carry out statutory intent that "access to advanced telecommunications and information services should be provided in all regions of the Nation." Yet, since 1994, the FCC has imposed "interim caps" on the high-cost function of universal service support that have never been adjusted for inflation. For the period from 1994 through 2000, the caps have cost rural America more than $351 million in lost infrastructure investment. The loss was $130 million in 2000 alone. This is contrary to the law's clear directive requiring sufficient support.

We look forward to working with you on a wide range of issues before the Commission. But no other issue is more important and deserving of the Commission's attention than rural high cost reform. For the Commission to have taken five years to implement section 254 is unacceptable. As the new Chairman, you have an opportunity to rectify this situation by acting on this mandate with dispatch.

Again, we are very pleased with your appointment as Chairman and look forward to working with you to fulfill the promise of the Telecommunications Act.

Sincerely,

Robert C. Byrd

Max Cleland

John Breaux

Patty Murray

Paul D. Wellstone

Blanche L. Lincoln

Dick Durbin

Max Baucus

[illegible]

Tom Harkin

Chuck Grassley

Jean Carnahan

Maria Cantwell

Craig Thomas

Jay Rockefeller

April 13, 2001

Ms. Dorothy Attwood
Chief, Common Carrier Bureau
Federal Communications Commission
445 Twelfth Street, S.W., Room 5-C450
Washington, D.C. 20554

Re: Federal-State Joint Board on Universal Service
CC Docket No. 96-45 (Rural Task Force Recommendation), *and*

Multi-Association Group (MAG) Plan for Regulation of Interstate Service of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, et al., CC Docket Nos. 00-256, 96-45, 98-77, 98-166

Dear Ms. Attwood:

AT&T, Sprint and Western Wireless are writing to propose a path under which the Commission could fully implement all parts of the Rural Task Force ("RTF") and Federal-State Joint Board recommendations with respect to universal service for areas served by rural carriers by July 1, 2001, and undertake those reforms that are legally required. This path would permit the Commission immediately to address long-pending universal service issues that are critical to preserving universal service while promoting rural competition, without rushing to resolve more difficult incentive regulation and access rate level issues raised by the Multi-Association Group ("MAG") plan or holding these necessary universal service reforms hostage to those separable access reform issues.

In its Recommendation for universal service reform for rural carriers, the RTF asked the FCC to adopt the compromises made by its diverse members in supporting a delicately-crafted comprehensive reform package. The key elements of that package would: (1) rebase and create a new capping mechanism for the High-Cost Loop Fund; (2) create a "safety net" for significant infrastructure investment; (3) replace implicit support inherent in interstate access charges with a High-Cost Fund III ("HCFIII") that creates the potential for more competition; and (4) create a "safety valve" for investment in acquired exchanges. On December 22, 2000, the Joint Board endorsed the Recommendation, and the RTF has stated that "[t]he Recommended Decision should be adopted immediately as a comprehensive package and for a period of five years."[1]

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[1] RTF Comments, filed February 26, 2001, in CC Docket No. 96-45, at 2. *See also* Joint Board Rural Task Force Recommended Decision, CC Docket No. 96-45, FCC 00J-4, released December 22, 2000.

High-Cost Fund III was a critical part of RTF's delicately-crafted and balanced proposal. Although the Task Force was unable to determine the specifics for implementation of HCFIII, it identified the principle that the Commission needs to remove implicit support from current interstate access charges of rural carriers, identify the appropriate unit prices of interstate access and recover the difference between current interstate access revenues and repriced interstate access revenues via a HCFIII fund that is assessed in an equitable and nondiscriminatory manner against all interstate carriers with the support made portable to all eligible telecommunications carriers ("ETCs").[2] The Task Force also recommended that HCFIII be adjusted annually based on the annual interstate access filings of rural carriers that remain rate-of-return regulated.

In comments and replies on the Joint Board's *Recommended Decision* and on the MAG Plan, many parties suggested ways in which HCFIII could be implemented without adopting the full panoply of incentive regulation and access charge rate level changes proposed under the MAG plan. AT&T, for example, made a specific proposal on how these access reform principles can and should be implemented to be effective on July 1, 2001, simultaneously with the other components of the RTF Recommendation. Specifically, the proposal suggested that the Commission follow the CALLS model[3] for rural carriers by: (1) increasing the caps on subscriber line charges ("SLCs") to the level in CALLS; (2) reducing the traffic-sensitive charges of rural carriers to $0.0095 per minute (equivalent to that of the smaller price companies under CALLS); (3) allowing rural carriers to recover the balance of their interstate switched access revenue requirements through a new interstate access-related component of the USF (known as HCFIII); and (4) removing the USF flowback from carrier-paid access charges. With the pleading cycles completed, the record in these proceedings is fully developed to implement *all* of these changes on July 1, 2001, and thus bring long overdue reform to rural carrier access charges, in addition to prompt universal service reform.

We now propose a further refinement of those proposals as an interim step to permit July 1, 2001 implementation of the RTF and Joint Board Recommendations.

First, the SLC caps for rural carriers should be raised to levels commensurate with price cap carriers to restore the nationwide uniformity that existed prior to adoption of CALLS. The Commission has long recognized that "increasing the SLC caps to recover a greater portion of interstate-allocated non-traffic-sensitive costs is the most basic step that can be taken to eliminate implicit support."[4] There is no

[2] RTF Recommendation, September 29, 2000, at 31.

[3] *See Access Charge Reform, etc.,* CC Docket No. 96-262, FCC 00-193, released May 31, 2000 ("CALLS Order").

[4] *Access Charge Reform,* CC Docket No. 96-262, First Report and Order, FCC 97-158, ¶¶ 67-69; 75-77, released May 16, 1997 ("Access Reform Order").

justification for permanently maintaining lower SLCs in rural carrier areas than in other service areas. Since their inception, the SLC caps for residential and single-line business customers have been uniform nationwide for *all* LECs, irrespective of company size, the rural or non-rural character of their serving areas, and the form of interstate price regulation. In raising the SLC caps for price cap LECs under CALLS to allow for more cost-based rates, the Commission created a sharp disparity between the portion of loop costs recovered from end-user charges of price cap carriers versus those of rate-of-return carriers. This differential in the SLC caps, coupled with other reductions in the usage-sensitive rates of price cap companies and creation of a $650 million interstate access-related high-cost fund for price cap LECs, creates a significant disparity between the usage-sensitive access charges of price cap and rate-of-return LECs that undermines the ability of nationwide long distance carriers to maintain nationwide averaged toll rates. As in CALLS, it is critical that the Commission take "steps in the right direction" by raising the SLC caps for the rate-of-return carriers to the same levels as for price cap carriers and thus eliminate the current marketplace distortion caused by this disparity. Making this transition on July 1, 2001, when the CALLS caps will be $5.00, will provide for a much gentler consumer transition than if rural SLC caps had to jump even higher to be synchronized with what will be higher CALLS SLC caps in future years.

Second, the Commission should require rural carriers to recover their USF obligations from their end-user customers either in the form of an increment to the SLC or an additional line-item on the customer bill. As the Fifth Circuit has ruled, recovery of LECs' USF contributions through carrier-paid access charges constitutes an impermissible implicit subsidy.[5] In the CALLS Order, the Commission required the recovery of price cap LEC universal service contributions directly from end users. The existence of USF flowback contributes to the distortion of rate-of-return carriers' access charges. The Commission can and should rectify this impermissible recovery mechanism on July 1, 2001. This will bring universal service recovery practices in rural carrier areas in line with those used elsewhere, further reducing sources of consumer confusion.

Third, as a temporary, interim step for one year while the Commission completes non-price cap carrier access rate level reform, including examination of incentive regulation, the Commission could set a maximum transitional target traffic-sensitive rate of $0.0160 per minute for all rate-of-return LECs – the level contemplated under MAG Track A – with an additional, transitional Carrier Common

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[5] *Texas Office of Public Utility Counsel v. FCC* 183 F.3d 393, 425 (5th Cir.1999), *cert. denied sub nom AT&T Corp. and MCI WorldCom Corp. v. Cincinnati Bell Telephone Company*, 120 S.Ct. 2237 (June 5, 2000), as implemented by the Commission, *Federal-State Joint Board on Universal Service and Access Charge Reform*, Sixteenth Order on Reconsideration in CC Docket No. 96-45, Eighth Report and Order in CC Docket No. 96-45, Sixth Report and Order in CC Docket No. 96-262, FCC 99-290 (Oct. 8, 1999) ("Implementation Order"), *appeal pending sub nom. Comsat Corporation v. FCC*, No. 00-60044 (5th Cir.).

Line ("CCL") charge that is phased-down to zero as the SLC caps increase to the maximum levels allowed under CALLS. The difference between the traffic-sensitive revenue requirement set under existing rate-of-return procedures and the target access rate would be supported from HCFIII through per-line support as described in the RTF recommendations.[6] This proposal would provide an airtight safeguard against any possible revenue shortfall, and thus insulate the Commission's action from any legitimate challenge.[7] In making this proposal, we in no way concede that this is the proper final target traffic-sensitive rate for non-price cap carriers, or that the current methods of regulating the rates charged by rate-of-return carriers should continue unaltered indefinitely. This measured compromise step is intended only to permit implementation of the *entire* RTF Recommendation for comprehensive universal service and access reform for rural carriers to take place promptly on July 1, 2001. Next, the Commission should proceed to address the final targeted traffic-sensitive access rate and incentive regulation for rate-of-return carriers in an expedited FNPRM.

These reforms are required by the 1996 Act. Section 254(e) expressly mandates that universal service support "should be explicit." As the Fifth Circuit has held in interpreting these statutory provisions, "[t]he Commission . . . is responsible for making the changes necessary to its universal service program to ensure that it survives in the new world of competition. . . .[T]he old regime of implicit subsidies – that is, 'the manipulation of rates for some customer to subsidize more affordable rates for others' – must be phased out and replaced with explicit universal service subsidies – government grants that cause no distortion to market prices – because a competitive market can bear only the latter." *Alenco Communications Inc.* v. *FCC*, 201 F.3d 608, 615-16 (5th Cir. 2000).

Moreover, and complementing the unequivocal statutory directive, the adoption of these reforms is imperative as a matter of sound public policy. Under the existing access charge regime for rate-of-return carriers, broad-based competition in high-cost areas will not occur because substantial universal service subsidies remain embedded in the NECA CCL charge that is averaged over nearly all rate-of-return study areas and the NECA traffic-sensitive rate that is averaged over the entire traffic-sensitive pool, which represents almost half of all rural carrier lines. By contrast to the current structure, implementation of HCFIII would make these embedded subsidies explicit, disaggregate them to individual rural carrier study areas and make them portable to new entrants designated as ETCs. These reforms would allow new entrants to serve rural areas broadly instead of just vying for high-volume customers in the lower cost areas. Moreover, by allowing rural carriers' SLC caps to increase and reducing their traffic-sensitive rates, these reforms would mitigate the

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[6] Once the SLC caps reach the maximum CALLS levels, to the extent any carrier would still have a CCL charge, its CCL charge should be reduced to zero and the CCL revenue requirement recovered from HCFIII.

[7] With HCFIII, the rate-of-return carrier revenue requirement will always be maintained as HCFIII will be recalculated annually under Task Force principles.

current impediment to long distance carriers' ability to sustain nationwide geographic rate averaging required by Section 254(g) of the Act.

In addressing the CALLS plan that adopted historic access and universal service reforms for price cap carriers, the Commission acknowledged the difficulty of determining the appropriate amount of implicit support in access charges, yet it recognized the importance of promoting competition by doing so. As it stated:

> "It is important, however, that the Commission not permit itself to be gridlocked into inactivity by endeavoring to find precise solutions to each component of this complex set of problems. It is preferable and more reasonable to take steps in the right direction, even if incomplete, than to remain frozen with indecision because a perfect, ultimate solution remains outside our grasp."[8]

The same imperative exists today for rural carriers. There is no legal impediment to the Commission adopting the necessary changes on July 1, 2001. There is an adequate record to support all of the proposed changes. Equally important, however, is that, unlike CALLS, the access reforms enumerated above would *not* reduce rate-of-return carriers' cost recovery. Instead, the proposal maintains complete revenue neutrality in that each rate-of-return carriers' HCFIII support would be recomputed annually based on established rate-of-return methodology to ensure that each carrier would continue to earn its authorized rate-of-return, while charging lower traffic-sensitive rates and higher SLCs. Thus, the Commission should move forward to adopt these changes, and, at a minimum, order implementation of the reforms detailed above by July 1, 2001.

Respectfully submitted,

Joel E Lubin
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Federal Government Affairs
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[8] CALLS Order, ¶ 27.

Gene DeJordy/gl

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cc: Michael K. Powell, Chairman
Harold Furchtgott-Roth, Commissioner
Susan Ness, Commissioner
Gloria Tristani, Commissioner
Magalie Roman Salas, FCC Secretary
Carol Mattey
Jane Jackson
Katherine Schroder
Richard Lerner
Sharon Webber

April 13, 2001

Ms. Dorothy Attwood
Chief, Common Carrier Bureau
Federal Communications Commission
445 Twelfth Street, S.W., Room 5-C450
Washington, D.C. 20554

Re: Federal-State Joint Board on Universal Service
CC Docket No. 96-45 (Rural Task Force Recommendation) *and*

Multi-Association Group (MAG) Plan for Regulation of Interstate Service of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, et al., CC Docket Nos. 00-256, 96-45, 98-77, 98-166 – Written Ex Parte

Dear Ms. Attwood:

General Communication, Inc. (GCI), fully supports the modified proposal of AT&T, Sprint, and Western Wireless, set out in their letter of April 13, 2001, in the above captioned matters (April 13 Letter). GCI urges the Commission to implement that modified proposal on July 1, 2001.

For the reasons generally described in the April 13 Letter, implementation of the three proposed interim steps is necessary and appropriate at this time. The proposal would reduce the disparity between rural and urban access charges and thus remove the existing impediment to the sustainability of nationwide geographic averaged long distance rates, while at the same time promoting universal service and protecting the cost recovery of rate-of-return carriers.

The proposal set forth in the April 13 Letter provides an appropriate means of implementing all aspects of the Rural Task Force (RTF) plan, including both universal service and access charge reform. For the reasons previously set out in our initial comments, partial implementation of the RTF plan, without access charge reform, is not in the public interest.

Respectfully submitted,

Jimmy Jackson /rp

Jimmy Jackson
GENERAL COMMUNICATION, INC.

cc: Michael K. Powell, Chairman
Harold Furchtgott-Roth, Commissioner
Susan Ness, Commissioner
Gloria Tristani, Commissioner
Magalie Roman Salas, FCC Secretary
Carol Mattey
Jane Jackson
Katherine Schroder
Richard Lerner
Sharon Webber

April 18, 2001

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: Federal-State Joint Board on Universal Service
CC Docket No. 96-45 (Rural Task Force Recommendation), *and*

Multi-Association Group (MAG) Plan for Regulation of Interstate Service of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, et al., CC Docket Nos. 00-256, 96-45, 98-77, 98-166

Dear Ms. Salas:

Today, the attached letter was sent to Ms. Dorothy Attwood, Chief of the Common Carrier Bureau. Please include a copy of this letter in the above referenced proceedings.

I have submitted an original and one copy of this Notice in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

Attachment

cc: Dorothy Attwood

April 18, 2001

Ms. Dorothy Attwood
Chief, Common Carrier Bureau
Federal Communications Commission
445 Twelfth Street, S.W., Room 5-C450
Washington, D.C. 20554

Re: Federal-State Joint Board on Universal Service
CC Docket No. 96-45 (Rural Task Force Recommendation), *and*

Multi-Association Group (MAG) Plan for Regulation of Interstate Service of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, et al., CC Docket Nos. 00-256, 96-45, 98-77, 98-166

Dear Ms. Attwood:

AT&T, GCI, Sprint, Western Wireless are writing further to explain how the proposed interim HCFIII proposed in AT&T, Sprint and Western Wireless' letter of April 13, 2001, and supported by GCI's letter of April 13, 2001 can be implemented effective July 1, 2001.

HCFIII can be implemented by USAC using only four inputs for each non-price cap study area:

- Projected traffic sensitive revenue requirement;
- Projected traffic sensitive demand quantities;
- Projected local switching support; and
- Projected lines.

Each of these inputs would, in any event, be provided in tariff support documents that would be filed in June by the filing company or by the National Exchange Carrier Association. Once these inputs are submitted to USAC, USAC can arithmetically calculate the per line HCFIII support that would be distributed in each study area. A description of the methodology for calculating this support is attached. Because information for pooling companies is maintained by NECA, the burdens in submitting this information for use by USAC will be minimal.

Because these numbers would be the same as those used in the ILEC's tariff filings, the ILEC could easily compute the amount of expected support, and offset those amounts in preparing final tariffed rates to be effective July 1, 2001.

Respectfully submitted,

J. E. Lubin

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Attachment

cc: Magalie Roman Salas, FCC Secretary
Carol Mattey
Jane Jackson
Katherine Schroder
Richard Lerner
Sharon Webber

High Cost Fund III Process

1. NECA sets TS rates, Rural Carrier Access Price (RCAP), such that average revenue per minute for the entire traffic-sensitive pool is targeted at 1.6 cents.
   - Based on prospective demand to be submitted by pool members.
   - Non-pool companies set their own rates, accompanied by a showing that their RCAP rates result in the lower of their actual costs or 1.6 cents revenue per minute.
   - Key inputs: Projected demand for upcoming tariff year in each non-price cap study area for each traffic-sensitive rate element (local switching, tandem switching, common transport, dedicated transport, signaling, etc.), as is currently provided in tariff support documents filed annually by NECA and the filing companies.

2. HCFIII per line is determined for each non-price cap study area.

   A. NECA cost companies – develop:
   - Projected TS revenue requirements
   - Projected revenues from rates and local switching support (LSS).
   - Projected lines
   - USAC calculates HCFIII per line as: (revenue requirements – revenues)/lines

   B. NECA average schedule companies
   - Similar to A. except revenue requirement is based on average schedule formula rather than actual costs.

   C. Non-NECA companies
   - May be the same as A.

   Key Inputs: Projected demand, revenues, local switching support, and revenue requirements (based on projected expenses and investments) are all currently provided in tariff support documents for the annual filings.

Proposed Interim Rules:
§ 54.304 (c)

For NECA pool companies, HCFIII shall be computed so that the total projected traffic sensitive access charge revenues of the pool, comprised of RCAP revenues pursuant to section 69.130, plus Local Switching Support revenues received pursuant to section 54.301, plus the HCFIII shall equal the projected interstate NECA pool traffic sensitive revenue requirement for the same period. The RCAP revenues shall be the traffic sensitive revenues computed for the prospective annual tariff period pursuant to sections 69.106, 69.109, 69.110, 69.111, 69.112, 69.113, 69.120, and 69.124. The HCFIII per-line support is determined by dividing the study area HCFIII by the projected lines in the study area.

(1) For NECA cost companies, HCFIII will be distributed among the cost company study areas based on the difference between their projected individual traffic sensitive switched revenue requirements and the sum of (i) their projected individual revenues from the traffic sensitive elements that constitute the RCAP as defined in § 69.130 and (ii) their projected individual LSS.

(2) For NECA average schedule companies, the remaining NECA pool HCFIII, after distribution to NECA cost companies, is distributed among the average schedule study areas based on their relative access minutes.

For Non-NECA companies, HCFIII is determined for each study area. HCFIII shall be computed so that the total projected traffic sensitive access charge revenues, comprised of RCAP revenues pursuant to section 69.130, plus Local Switching Support revenues received pursuant to section 54.301, plus the HCFIII shall equal the projected interstate traffic sensitive revenue requirement for the same period. The RCAP revenues shall be the traffic sensitive revenues computed for the prospective annual tariff period pursuant to sections 69.106, 69.109, 69.110, 69.111, 69.112, 69.113, 69.120, and 69.124. The HCFIII per-line support is determined by dividing the study area HCFIII by the projected lines in the study area.

§69.130 Calculation of Rural Carrier Access Price (RCAP)

Concurrent with the implementation of section 54.304 and effective on July 1, 2001, the weighted average traffic sensitive charge, as defined for price cap carriers in 61.3(e), shall be assessed by exchange carriers subject to this section at a level not to exceed $0.0160 per minute.